AGRANA

To most,
it is a
report on the
first six months.

To AGRANA,
it is a continuing
positive outlook
for the full year.

2017|18

First half of 2017|18 at a glance

- Significant improvement in operating profit (EBIT)
- EBIT growth in all segments
- Revenue: € 1,362.1 million (up 3.2%; H1 prior year: € 1,320.3 million)
- EBIT: € 130.6 million (up 44.5%; H1 prior year: € 90.4 million)
- EBIT margin: 9.6% (H1 prior year: 6.8%)
- Profit for the period: € 97.3 million (up 55.4%; H1 prior year: € 62.6 million)
- Equity ratio: 62.2% (28 February 2017: 56.9%)
- Gearing ratio[1]: 13.4% (28 February 2017: 17.0%)
- Number of employees (FTE)[2]: 8,854 (H1 prior year: 8,755)

[1] Debt-equity ratio (ratio of net debt to total equity).
[2] Average number of full-time equivalents in the reporting period.

Contents

Letter from the CEO

DEAR INVESTOR,

The second quarter of the 2017|18 financial year, like the first quarter, was a good one, enabling an improvement in operating profit (EBIT) for the first half of the year to € 130.6 million, from € 90.4 million one year earlier. Revenue in the first six months rose slightly from € 1,320.3 million to € 1,362.1 million. Business was very satisfactory in all three segments, Starch, Fruit and Sugar.

The European grain crops this year were below the levels of the prior year, but as a result of the good supply worldwide, this had no major price effects for our Starch segment. The expansion of the corn starch plant in Aschach, Austria, was successfully completed and brought fully on stream. With the capacity expansion, the plant's grinding volume is increased to over 500,000 tonnes of corn per year. At the same time, it has more than doubled AGRANA's spray drying capacity. We have also begun the planning work for doubling the size of our wheat starch activities in Pischelsdorf, Austria. With this capacity growth, AGRANA is addressing the rising starch demand in the paper and corrugated board industry.

In the Fruit segment, our expansion projects follow the global market growth. The integration of the Argentine company Main Process S.A. is complete and the fruit preparations production in Argentina has now been concentrated at the new site. The construction of the new, second plant of AGRANA Fruit in China, in the greater Shanghai area, has begun. The facility is to start operations at the end of 2018. As well, the production of fruit puree at the new location in India has already commenced.

Since 1 October 2017, in the European Union, market features such as sugar production quotas and minimum beet prices are a thing of the past. At the same time, the restriction on EU exports is also eliminated. It is currently likely that EU sugar production in the 2017|18 sugar marketing year will exceed 20 million tonnes, which will lead to an increase in exports from the EU.

Given the dry, hot conditions experienced in its production regions this year, AGRANA expects a below-average sugar beet crop. Our contract growers are therefore lacking good yields per hectare this year to make up for lower prices.

Having completed a successful capital increase towards the end of the 2016|17 financial year, this year we are seeing the positive impacts of the free-float expansion: Our capital market presence has been strengthened and trading liquidity has increased significantly. After eleven years, AGRANA was added to the ATX again on 18 September and, as a member of this blue-chip index, is thus one of the top 20 shares in Austria.

I would like to reaffirm the financial outlook for the full 2017|18 financial year. Despite a difficult market environment in the second half of the year in the Sugar segment, AGRANA expects an EBIT result significantly above that of the prior year.

Sincerely

Johann Marihart

Chief Executive Officer

Group management report

Results for the first half of 2016|17

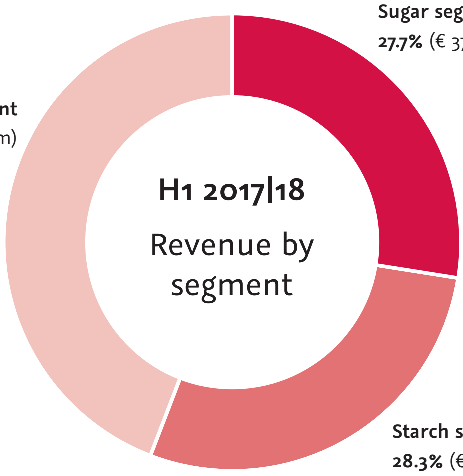
Revenue and earnings

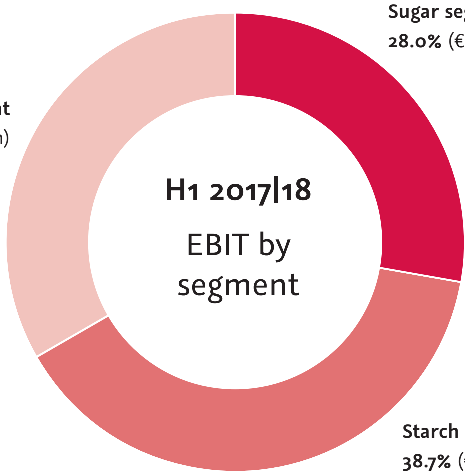
AGRANA Group €m, except % and per-share data	H1 2017|18	H1 2016|17
Revenue	1,362.1	1,320.3
EBITDA[1]	149.6	114.2
Operating profit before exceptional items and results of equity-accounted joint ventures	113.4	78.3
Share of results of equity-accounted joint ventures	20.0	15.0
Exceptional items	(2.8)	(2.9)
Operating profit [EBIT][2]	**130.6**	**90.4**
EBIT margin	**9.6%**	**6.8%**
Net financial items	(8.9)	(10.3)
Income tax expense	(24.4)	(17.5)
Profit for the period	97.3	62.6
Earnings per share	€ 6.02	€ 4.21[3]

AGRANA Group €m, except % and per-share data	Q2 2017|18	Q2 2016|17
Revenue	677.9	654.8
EBITDA[1]	72.0	56.1
Operating profit before exceptional items and results of equity-accounted joint ventures	53.7	37.7
Share of results of equity-accounted joint ventures	9.9	8.6
Exceptional items	(2.8)	(2.9)
Operating profit [EBIT][2]	**60.8**	**43.4**
EBIT margin	**9.0%**	**6.6%**
Net financial items	(4.1)	(2.8)
Income tax expense	(10.3)	(8.8)
Profit for the period	46.4	31.8
Earnings per share	€ 2.86	€ 2.14[3]

In the first half of 2017|18 (the six months ended 31 August 2017), **revenue** of the AGRANA Group was € 1,362.1 million, up 3.2% from the same period one year earlier, with the growth coming from the Sugar and Starch segments.

Operating profit (EBIT) was € 130.6 million in the first half of 2017|18, a significant improvement of 44.5% from the year-ago period. In the Starch segment, EBIT grew substantially to € 50.5 million, an increase of 57.8%, driven above all by a positive trend in the ethanol business. EBIT in the Sugar segment also improved, to € 36.6 million (H1 prior year: € 18.3 million), thanks mainly to higher selling prices than one year earlier. In the Fruit segment, EBIT increased moderately (by 8.5%) to € 43.5 million. The **net financial items expense** improved from the comparative period's € 10.3 million to € 8.9 million. After an income tax expense of € 24.4 million, corresponding to a tax rate of approximately 20.0% (H1 prior year: 21.8%), **profit for the period** was € 97.3 million (H1 prior year: € 62.6 million). **Earnings per share** attributable to AGRANA shareholders increased to € 6.02 (H1 prior year: € 4.21[3]).





[1] EBITDA represents operating profit before exceptional items, results of equity-accounted joint ventures, and operating depreciation and amortisation.
[2] Operating profit (EBIT) is after exceptional items and results of equity-accounted joint ventures.
[3] In the prior year, earnings per share were still calculated on the basis of the 14,202,040 shares outstanding at that time (number of shares at 31 August 2017: 15,622,244).

Investment

In the first half of 2017|18, AGRANA invested a total of € 58.1 million, or € 15.7 million more than in the year-earlier period. Capital expenditure by segment was as follows:

Investment[1] €m	H1 2017|18	H1 2016|17
Sugar	15.1	11.1
Starch	27.7	21.5
Fruit	15.3	9.8
Group	**58.1**	**42.4**

Sugar segment

- Sugar drying in Leopoldsdorf, Austria
- Replacement of two beet diffusers in Tulln, Austria
- Optimisation of the cooling crystallisation in Sereď, Slovakia

Starch segment

- Expansion of corn processing in Aschach, Austria
- Expansion of starch saccharification facilities in Aschach
- Construction and commissioning of a new spray drying plant in Aschach
- Increase in potato processing capacity through installation of a new potato starch dryer in Gmünd, Austria
- Installation of a potato fibre dryer in Gmünd

Fruit segment

- Various projects across all 40 production sites (including construction of new, second fruit preparations plant in China)

Additionally in the first half of 2017|18, € 13.2 million (H1 prior year: € 6.2 million) was invested in the equity-accounted joint ventures (the HUNGRANA and STUDEN groups; investment in these entities is stated at 100% of the total).

Cash flow

Operating cash flow before changes in working capital rose to € 176.5 million (H1 prior year: € 121.6 million) in the first half of 2017|18 as a result mainly of the higher profit for the period. With a greater decrease of € 46.3 million in working capital (H1 prior year: reduction of € 7.9 million), which was due primarily to a stronger reduction in inventories and smaller increase in trade receivables, net cash from operating activities in the first half of 2017|18 was € 193.5 million (H1 prior year: € 109.3 million). Net cash used in investing activities was € 59.1 million (H1 prior year: net cash use of € 41.8 million) as a result of higher payments for purchases of property, plant and equipment and intangibles. With an increased dividend payment as a result of the capital increase, coupled with a higher reduction in borrowings, the first half of 2017|18 was marked by an increased net cash use of € 156.0 million for financing activities (H1 prior year: net cash use of € 82.9 million).

Financial position

Total assets eased moderately from the 2016|17 year-end balance sheet date to € 2.29 billion at 31 August 2017 (28 February 2017: € 2.48 billion) and the equity ratio was up by 5.3 percentage points to 62.2% (28 February 2017: 56.9%).

Within non-current assets, which were almost unchanged in their overall amount, the largest change occurred in the item 'equity-accounted joint ventures'. Current assets decreased by approximately 16%, owing particularly to significant reductions in inventories and to some extent in cash and cash equivalents. On the opposite side of the balance sheet, non-current liabilities rose significantly, due primarily to an increase in long-term borrowings. Current liabilities fell markedly, with the reduction in short-term borrowings and in trade and other payables paralleling the seasonal, campaign-related business trajectory.

Net debt as of 31 August 2017 amounted to € 190.1 million, down by € 49.8 million from the 2016|17 year-end level. The gearing ratio thus eased to 13.4% as of the quarterly balance sheet date (28 February 2017: 17.0%).

[1] Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.

AGRANA capital market developments and corporate governance

Share data	**H1 2017|18**
High (11 July 2017)	€ 115.80
Low (21 April 2017)	€ 92.32
Closing price (31 August 2017)	€ 107.90
Closing book value per share	€ 87.39
Closing market capitalisation	€ 1,685.6m

AGRANA started the 2017|18 financial year at a share price of € 106.00 and closed at € 107.90 on the last trading day of August 2017, representing a slight increase of 1.79%. Austria's ATX equity index rose by 17.71% over the same period.

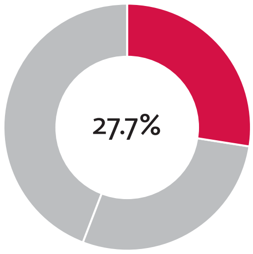
A very positive increase in the liquidity of the shares was seen as a result of the capital increase conducted in February 2017. The average daily trading volume[1] in the period from March to August grew powerfully to about 22,000 shares (H1 prior year: approximately 2,000 shares). On 18 September 2017, after an eleven-year absence, AGRANA became a component of the ATX again. AGRANA is thus now again part of the price index that forms the blue-chip segment of the Austrian stock market and consists of the approximately twenty most liquid shares on the Vienna Stock Exchange.

AGRANA's share price performance can be followed in the investor relations section of the Group's website at www.agrana.com. The market capitalisation at the end of August 2017 was € 1,685.6 million, with 15,622,244 shares outstanding.

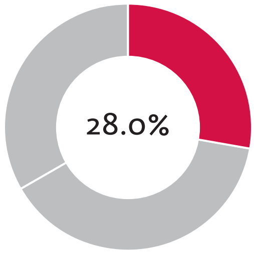
The 30th Annual General Meeting of AGRANA Beteiligungs-AG on 7 July 2017 approved the payment of a dividend of € 4.00 per share for the 2016|17 financial year (prior year: € 4.00 per share); the dividend was paid in July 2017.

Sugar segment

Share of Group revenue



Share of Group EBIT[2]



Financial results

Sugar segment €m, except %	**H1 2017|18**	**H1 2016|17**
Revenue	376.7	352.0
EBITDA[3]	46.3	26.1
Operating profit before exceptional items and results of equity-accounted joint ventures	38.9	18.8
Share of results of equity-accounted joint ventures	0.5	2.4
Exceptional items	(2.8)	(2.9)
Operating profit [EBIT][2]	**36.6**	**18.3**
EBIT margin	**9.7%**	**5.2%**

Sugar segment €m, except %	**Q2 2017|18**	**Q2 2016|17**
Revenue	198.3	173.6
EBITDA[3]	24.2	13.4
Operating profit before exceptional items and results of equity-accounted joint ventures	20.4	9.7
Share of results of equity-accounted joint ventures	0.9	1.5
Exceptional items	(2.8)	(2.9)
Operating profit [EBIT][2]	**18.5**	**8.3**
EBIT margin	**9.3%**	**4.8%**

The Sugar segment's revenue in the first half of 2017|18, at € 376.7 million, was up about 7% from one year earlier. While sugar sales volumes were constant, higher sales prices than one year earlier enabled this positive change.

[1] Trading volume based on double counting, as published by the Vienna Stock Exchange.
[2] Operating profit (EBIT) is after exceptional items and results of equity-accounted joint ventures.
[3] EBITDA represents operating profit before exceptional items, results of equity-accounted joint ventures, and operating depreciation and amortisation.

EBIT in H1 2017|18, as a result of a year-on-year improvement in the market environment, doubled from € 18.3 million to € 36.6 million. The segment's net exceptional items resulted primarily from expenses for restructuring measures.

Market environment

World sugar market

For the end of the 2017|18 sugar marketing year (SMY, October 2017 to September 2018) the analytics firm F.O. Licht in its September 2017 estimate of the world sugar balance is forecasting a production surplus, coming on the heels of two years of deficits. The forecast calls for a production increase to 191.4 million tonnes (SMY 2016|17: 178.4 million tonnes) which, despite predicted further growth in consumption to 184.2 million tonnes (SMY 2016|17: 180.2 million tonnes), is to lead to an expansion in global sugar stocks to 73.2 million tonnes (SMY 2016|17: 67.9 million tonnes).

While the very volatile world market prices for sugar in the 2016|17 financial year still saw a four-year high in September 2016 for white sugar at US$ 612.0 per tonne, and in October for raw sugar at US$ 524.9 per tonne, the following months brought continuing highly volatile quotations, with a declining trend that accelerated further in the course of the current 2017|18 financial year. Prominent reasons for this included the recent estimates regarding a global sugar surplus in SMY 2017|18 brought about partly by the good to very good harvests in the major sugar cane production regions (particularly Brazil). Moreover, institutional investment funds and commodity hedge funds (especially since the start of the 2017 calendar year) are exhibiting a fundamentally changed investing behaviour that exerts additional pressure on the world sugar market.

At the end of the reporting period (31 August 2017), white sugar quoted at US$ 386.90 per tonne and raw sugar at about US$ 317.47.

EU sugar market

A 16% increase in planting area in Europe had already been estimated in the first predictions in May 2017 for the 2017|18 sugar beet harvest. The crop forecast itself is currently for 74.7 tonnes of beet per hectare, which is 3.7% above the five-year average. Production in Europe is therefore expected to come in significantly above the five-year average. In Austria, AGRANA's main production region, the beet cultivation area of about 42,800 hectares is projected to yield 65 tonnes of sugar beet per hectare.

EU policy

Since 1 October 2017, the European sugar industry operates in a new environment. The biggest changes are the end of the production quotas for sugar and isoglucose, and the abolition of the minimum beet prices.

However, the EU continues to require the use of contracts between the sugar industry and sugar beet growers, and reserves the right to intervene in the market if deemed necessary. The European Commission thus retains the option to apply exceptional measures in the event of crises. One of these instruments is government-funded private storage, through which the Commission can temporarily remove sugar from the market.

From 1 October 2017, as a key element of the liberalisation of the EU sugar market, the European sugar manufacturers have unrestricted freedom to export their product.

Protective features remaining in place unchanged for imports to the EU from countries not party to preferential treaties are the duties of € 419 per tonne for white sugar and € 339 per tonne for raw sugar. The preferential agreements (for duty-free access) with the Least Developed Countries and the African, Caribbean and Pacific Group of States remain intact, as do the duty-free or lower-duty preferential imports that are subject to volume limits.

Free trade agreements

The European Commission is currently negotiating the terms of a free trade agreement with the Mercosur countries (Argentina, Brazil, Paraguay and Uruguay). The first negotiating proposal of the EU from May 2016 could be expanded by several more points in autumn/winter of this year. To date, sugar has been exempted from the negotiations. The European beet farmers and sugar companies want to prevent concessions by the EU to the Mercosur countries on sugar and products with a high sugar content, as Brazil already has extensive preferential access to the EU sugar market and the Brazilian government continues to intervene in the sugar policy of the world's largest sugar producer through a multitude of direct and indirect state subsidies. As a result of these subsidies, sugar from Austria and Europe suffers unfair competition from Brazilian sugar.

Besides the Mercosur countries, free trade talks are currently also underway with Japan, the Philippines and Indonesia. With Mexico, the EU is presently discussing a modernization of the existing free trade agreement. Likewise, the European Commission plans to launch free trade negotiations with Australia and New Zealand in 2017.

[1] F.O. Licht Vol. 149, No. 14 / 18 May 2017

[2] F.O. Licht Vol. 149, No. 24 / 25 August 2017

Customers in industry and resellers

The start of the fruit harvest brought the expected recovery in sugar sales volumes with wholesalers and retailers. As a result of lower European sugar inventories and initially still-high world market prices, sales prices in the first half of 2017|18 were consistently above the year-earlier level.

Sugar purchases were tailored specifically to the marketing opportunities, in order to reduce the sugar stocks at the beginning of the campaign and at the end of the quota regime to a minimum; this was also why the total marketed volume was somewhat less than a year ago.

Higher world market prices were responsible for the profitable growth in exports to non-EU destinations. The marketing of sugar specialties and organic products also continued to be successful.

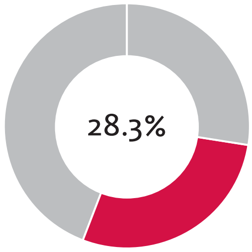
Raw materials and production

In the 2017 crop year, the sugar beet production acreage contracted by AGRANA with the beet growers and actually planted is approximately 96,300 hectares, or about 2,000 hectares more than in the prior year. In Austria, around 1,300 hectares were dedicated to the production of organic sugar beet.

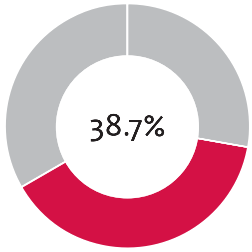
The relatively low to very low precipitation and warm to very hot temperatures during the entire growing period prevented a good development of the beet stocks in many production regions. As a consequence, below-average beet yields must be expected for Austria, the Czech Republic and Slovakia. In Hungary and Romania, some of the crop, at least, received the necessary precipitation and an average harvest can thus be expected in these countries. The first AGRANA sugar factory to start its 2017 campaign was the one in Kaposvár, Hungary, on 7 September.

Starch segment

Share of Group revenue



Share of Group EBIT[1]



Financial results

Starch segment €m, except %	**H1 2017|18**	**H1 2016|17**
Revenue	385.5	363.1
EBITDA[2]	42.6	30.2
Operating profit before exceptional items and results of equity-accounted joint ventures	31.0	19.4
Share of results of equity-accounted joint ventures	19.5	12.6
Operating profit [EBIT][1]	**50.5**	**32.0**
EBIT margin	**13.1%**	**8.8%**

Starch segment €m, except %)	**Q2 2017|18**	**Q2 2016|17**
Revenue	190.7	183.7
EBITDA[2]	20.8	16.5
Operating profit before exceptional items and results of equity-accounted joint ventures	14.9	11.1
Share of results of equity-accounted joint ventures	9.0	7.1
Operating profit [EBIT][1]	**23.9**	**18.2**
EBIT margin	**12.5%**	**9.9%**

Revenue in the first half of 2017|18 was € 385.5 million, representing growth of 6.2% from one year earlier. Key positive drivers were higher sales volumes of starches and higher bioethanol prices than in the prior-year comparative period, while revenue from reselling of feedstuffs decreased.

[1] Operating profit (EBIT) is after exceptional items and results of equity-accounted joint ventures.
[2] EBITDA represents operating profit before exceptional items, results of equity-accounted joint ventures, and operating depreciation and amortisation.

With EBIT of € 50.5 million, the year-earlier result was surpassed by 57.8%; the EBIT profit margin for the segment rose correspondingly strongly to 13.1% in the first half of 2017|18, from 8.8% in the same period one year earlier. Besides higher bioethanol quotations, other factors behind the earnings growth were productivity gains, stable raw material prices and lower energy prices. As well, there was an increase in the profit contribution by the equity-accounted HUNGRANA.

Market environment

The food starch market saw growth in sales quantities, and prices for native and modified starches moved sideways.

The paper and corrugated board sector is characterised by good demand. This positive development is powered by the steady growth of the online mail order market, which pushes up consumption of corrugated board and container board. Numerous capacity expansion projects by the paper industry are contributing to a firm level of demand.

Concerning starch saccharification products in general and isoglucose in particular, there is high competitive pressure in light of the liberalisation of the sugar market from October 2017. With the end of the EU sugar quotas, the market for isoglucose is also undergoing liberalisation.

The bioethanol business remains volatile. A closer correspondence between supply and demand in the EU in the first half of 2017|18 has led to a stabilisation in prices. On balance, sharp price swings should be expected to continue as a result of the numerous factors influencing bioethanol quotations (supply and demand, currency fluctuations, tariff protection, etc.).

In by-products, prices of high-protein products exhibited a firm trend. Vital wheat gluten in particular showed an upward movement in prices. Aside from the bakery industry, it is fish feed and pet food that are the main market segments generating positive impetus for this demand. Medium-protein feeds (Actiprot® and corn gluten feed) on the other hand are closely coupled to the soy, grain and corn markets and are thus subject to greater pressure on prices.

Raw materials and production

World grain production in the 2017|18 grain marketing year (July to June) is estimated by the International Grains Council in its forecast of 24 August 2017 at 2.05 billion tonnes, which is about 79 million tonnes less than in the record prior year and falls short of the expected consumption by around 40 million tonnes. Wheat production is forecast at 742 million tonnes (prior year: 754 million tonnes; estimated 2017|18 consumption: 738 million tonnes) and the predicted output of corn is 1,017 million tonnes (prior year: 1,073 million tonnes; estimated 2017|18 consumption: 1,055 million tonnes). Total grain stocks are to decline by about 40 million tonnes to a new balance of 485 million tonnes.

Grain production in the European Union is estimated by Strategié Grains in its forecast of 10 August 2017 at about 297 million tonnes (prior year: 296 million tonnes). Of this total, the soft wheat harvest accounts for about 141 million tonnes, which is up from the 2016 crop of 136 million tonnes. The 2017 corn harvest in the EU is expected to reach about 59 million tonnes (prior year: 60 million tonnes).

The quotations on the NYSE Euronext Liffe commodity derivatives exchange in Paris moved sideways or slightly declined since the beginning of March 2017 and, on 31 August, were at around € 159 per tonne for corn and € 156 per tonne for wheat (year earlier: € 160 and € 155 per tonne, respectively).

Potatoes

On 24 August the potato starch factory in Gmünd, Austria, began the processing of starch potatoes from the 2017 harvest. As a result of the past summer's heat and exceptional dryness, growers' fulfilment of the contracted amount of starch potatoes is expected to reach about 75%. The average starch content will, for weather reasons, be lower than the prior year's 19.7%, at about 18.5%.

Corn and wheat

Receiving of freshly harvested wet corn at the corn starch plant in Aschach, Austria, began at the end of August. Wet corn volume is expected to be lower than in the prior year and is to reach about 100,000 tonnes (prior year: 120,000 tonnes); its processing should be completed at the beginning of December. In the first half of 2017|18, approximately 206,800 tonnes of corn was processed, an increase from the year-earlier volume of 199,500 tonnes.

As raw materials for bioethanol production in Pischelsdorf, Austria in the first half of 2017|18, AGRANA used non-corn grains (wheat, organic wheat and triticale) and corn in a ratio of approximately 78% to 22%. The total processing volume at this facility, including processing for wheat

[1] International Grains Council

starch production, in the first six months of the financial year was approximately 416,400 tonnes (H1 prior year: 391,700 tonnes). Processing of wet corn began at the start of September and is expected to be down year-on-year as a result of weather conditions during the growing season (to 95,000 tonnes from 113,000 tonnes).

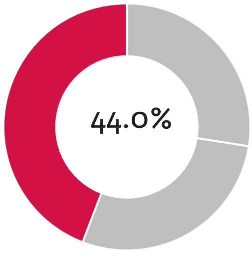
Including the amounts contracted from the 2017 harvest, between 80% and 90% of the raw material supply for the Austrian starch plants for the 2017|18 financial year is now secured. Raw material prices in the first half of the financial year were as expected. In the bioethanol business, including the ethanol grain production contracts, approximately 90% of the raw material needs for the 2017|18 financial year are covered.

At the equity-accounted plant in Hungary (HUNGRANA), the wet corn campaign was already launched in mid-August due to the dry weather, and was in full swing from the beginning of September. Wet corn processing volume at this facility is forecast to decrease to approximately 220,000 tonnes this year (prior year: 270,000 tonnes). In the first half of the year, total corn processing at HUNGRANA was about 573,000 tonnes (prior year: 599,000 tonnes; amounts stated at 100% of total).

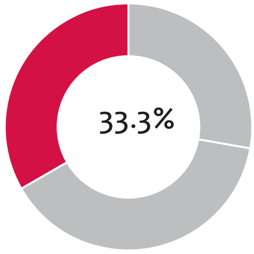
At the plant in Romania, about 34,000 tonnes of corn were processed in the first six months of 2017|18 (prior year: 34,000 tonnes). Since early September, starch is being produced from wet corn.

Fruit segment

Share of Group revenue



Share of Group EBIT[1]



Financial results

Fruit segment €m, except %	**H1 2017|18**	**H1 2016|17**
Revenue	599.9	605.2
EBITDA[2]	60.7	57.9
Operating profit before exceptional items and results of equity-accounted joint ventures	43.5	40.1
Operating profit [EBIT][1]	**43.5**	**40.1**
EBIT margin	**7.3%**	**6.6%**

Fruit segment €m, except %	**Q2 2017|18**	**Q2 2016|17**
Revenue	288.9	297.5
EBITDA[2]	27.0	26.2
Operating profit before exceptional items and results of equity-accounted joint ventures	18.4	16.9
Operating profit [EBIT][1]	**18.4**	**16.9**
EBIT margin	**6.4%**	**5.7%**

Fruit segment revenue in the first half of 2017|18 was € 599.9 million, or almost at the year-earlier level. In the fruit preparations business, a slight increase in sales volumes, higher selling prices, and positive foreign currency effects (notably in Eastern Europe, the USA, Brazil and Korea) added up to revenue growth. In the fruit juice concentrate operations, revenue decreased as a result of lower raw material prices and the associated reduction in concentrate prices for product from the 2016 crop compared to 2015.

EBIT of € 43.5 million in the first six months was up 8.5% from one year earlier. Both the fruit juice concentrate business (partly through volume and margin growth in

[1] Operating profit (EBIT) is after exceptional items and results of equity-accounted joint ventures.
[2] EBITDA represents operating profit before exceptional items, results of equity-accounted joint ventures, and operating depreciation and amortisation.

beverage bases) and the fruit preparations side contributed to the earnings improvement.

Market environment

The global market for fruit preparations for spoonable fruit yoghurts, according to data from Euromonitor, is expected to grow by about 1% in the 2017 calendar year. This reflects saturated markets in Europe and North America, but expanding markets in the Middle East & Africa (with growth of 5.1%) and Asia (growth of 4.7%). Per-capita consumption remains highest in North America, Western Europe and Australia. There is growing demand especially for protein-rich products, yoghurts with cereals or seeds, and products featuring high naturalness (for example, clean label).

Drinkable yoghurts continue to show a worldwide growth trend of 5.3%. Particularly the Asia and Middle East & Africa regions, but also the USA, are marked by growth rates above the world average. The highest per-capita consumption is currently found in Eastern Europe, Latin America and Western Europe.

The global market for ice-cream is expanding slightly, with estimated growth of recently 1.7%, which forecasts say is to accelerate to more than 2% by 2020. Ice-cream consumption per capita is highest in North America and Australia. Growth regions are the Middle East & Africa and, despite its already high consumption, Australia.

A growth trend can also be expected in the bakery sector. Especially in the snacking segment, the market globally is predicted to grow by 2.1% in 2017.

Prices in Europe for apple juice concentrate in the first half of 2017|18 stabilised at a solid level as a result of a rise in demand coinciding with limited supply quantities in the main growing regions. For berry juice concentrates from the 2017 crop there are currently no significant marketing or price risks.

The low crop volumes in the principal apple production regions, such as Poland, Hungary, Germany and Italy, are causing prices to continue to rise in the 2017 apple campaign, which is now getting underway. It is too soon to gauge the price trend for apple juice concentrate from China, as the large producers and suppliers generally take their cue from developments in Europe.

Raw materials and production

The most competitive procurement markets worldwide for berries and stone fruits for the fruit preparations business are Europe and North Africa. This year, unusually capricious weather, ranging from late frosts to summer drought, hurt crop yields in Poland and Serbia. Spain and North Africa were also affected. Thus, despite the extensive optimisation of the AGRANA procurement strategy and the securing of specific percentages of raw material requirements in advance, the sour cherry price is likely to double or triple compared with the prior year, and a 50% price hike can be expected for wild blueberries and blueberry concentrates, which are used mainly in Europe. The strawberry and apple harvests in Poland were also decimated by frost damage. By contrast, the situation eased for tropical fruits. On balance, however, recipes are apt to increase in price, based on a net rise in raw material prices.

The volume of the European apple harvest, relevant to the fruit juice concentrate activities, will be one of the lowest of the last ten years as a result of the crop loss expected in some main production regions (Poland, Germany and Italy). Rising raw material prices and resulting significantly higher apple juice concentrate prices than in the prior year are therefore to be expected.

Management of risks and opportunities

AGRANA uses an integrated system for the early identification and monitoring of risks that are relevant to the Group.

There are currently no known risks to the AGRANA Group's ability to continue in operational existence and no future risks of this nature are discernible at present.

A detailed description of the Group's business risks is provided on pages 84 to 88 of the annual report 2016|17.

Related party disclosures

For disclosures on related party relationships, please refer to the interim consolidated financial statements.

Significant events after the interim reporting date

No significant events occurred after the interim balance sheet date of 31 August 2017 that had a material effect on AGRANA's financial position, results of operations or cash flows.

Outlook

AGRANA Group €m	2016|17 Actual	2017|18 Forecast
Revenue	2,561.3	↑
EBIT	172.4	↑↑
Investment[1]	114.7	140

↑ *Moderate increase*[2]
↑↑ *Significant increase*[2]

For the full 2017|18 financial year, AGRANA expects Group **revenue** to rise moderately and **operating profit** (EBIT) to increase significantly.

Starch segment €m	2016|17 Actual	2017|18 Forecast
Revenue	733.9	↑
EBIT	76.2	↑
Investment[1]	57.6	55

↑ *Moderate increase*[2]

In the **Starch segment**, AGRANA's projection for the 2017|18 financial year calls for slightly rising sales volumes and moderate growth in revenue. Despite the pronounced volatility in ethanol quotations, average sales prices are expected to be above those of the prior year. A resulting earnings improvement, combined with a constant margin forecast for the rest of the product portfolio (and despite start-up costs for the commissioning of the facility expansion in Aschach, Austria) points to a moderate increase in EBIT from the record level of the 2016|17 financial year.

Sugar segment €m	2016|17 Actual	2017|18 Forecast
Revenue	671.9	→
EBIT	24.4	↑↑
Investment[1]	23.3	30

→ *Steady*[2]
↑↑ *Significant increase*[2]

In the **Sugar segment**, in anticipation of stable sales volumes, AGRANA is projecting revenue in line with the prior year. Improved margins in the first half of 2017|18, in conjunction with cost savings, are expected to generate significant EBIT growth in the 2017|18 financial year despite a probably challenging market environment in the second half of the year.

Fruit segment €m	2016|17 Actual	2017|18 Forecast
Revenue	1,155.5	↑
EBIT	71.8	↑↑
Investment[1]	33.8	55

↑ *Moderate increase*[2]
↑↑ *Significant increase*[2]

In the **Fruit segment**, AGRANA expects the 2017|18 financial year to bring moderate growth in revenue and a significant improvement in EBIT. For the fruit preparations business a positive revenue trend is predicted, driven by rising sales volumes. Helped by the expected earnings contribution of the fruit preparations company in Argentina acquired in the fourth quarter of 2016|17, EBIT in the fruit preparations activities is forecast to increase significantly compared to the 2016|17 financial year. In the fruit juice concentrate business, revenue is expected to increase moderately from the prior financial year and bring slight growth in EBIT.

Investment

Total **investment** across the three business segments in the financial year, at approximately € 140 million, will significantly exceed the budgeted depreciation of about € 93 million.

[1] Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.
[2] For definitions of these quantitative terms as used here in the 'Outlook' section, see page 23.

Interim consolidated financial statements

For the first six months ended 31 August 2017 (unaudited)

Consolidated income statement

€000, except per-share data	First six months (1 March – 31 August)		Second Quarter (1 June – 31 August)	
	H1 2017|18	H1 2016|17	Q2 2017|18	Q2 2016|17
Revenue	1,362,148	1,320,257	677,902	654,752
Changes in inventories of finished and unfinished goods	(205,179)	(159,325)	(92,797)	(71,594)
Own work capitalised	1,269	1,116	734	492
Other operating income	16,113	14,231	3,937	7,021
Cost of materials	(734,313)	(792,117)	(373,451)	(398,039)
Staff costs	(146,617)	(136,210)	(74,164)	(69,228)
Depreciation, amortisation and impairment losses	(36,184)	(35,917)	(18,301)	(18,402)
Other operating expenses	(146,653)	(136,609)	(72,985)	(70,144)
Share of results of equity-accounted joint ventures	20,012	15,023	9,959	8,597
Operating profit [EBIT]	**130,596**	**90,449**	**60,834**	**43,455**
Finance income	25,056	14,009	8,498	5,805
Finance expense	(33,955)	(24,341)	(12,589)	(8,641)
Net financial items	**(8,899)**	**(10,332)**	**(4,091)**	**(2,836)**
Profit before tax	**121,697**	**80,117**	**56,743**	**40,619**
Income tax expense	(24,419)	(17,469)	(10,316)	(8,789)
Profit for the period	**97,278**	**62,648**	**46,427**	**31,830**
▪ Attributable to shareholders of the parent	94,019	59,742	44,650	30,296
▪ Attributable to non-controlling interests	3,259	2,906	1,777	1,534
Earnings per share under IFRS (basic and diluted)	€ 6.02	€ 3.82[1]	€ 2.86	€ 1.94[1]
Earnings per share based on the number of shares at the balance sheet date	€ 6.02	€ 4.21	€ 2.86	€ 2.13

[1] This prior-year value has been restated under IAS 33.64. Further information is provided on page 18.

Consolidated statement of comprehensive income

€000	First six months (1 March – 31 August) H1 2017|18	H1 2016|17	Second Quarter (1 June – 31 August) Q2 2017|18	Q2 2016|17
Profit for the period	**97,278**	**62,648**	**46,427**	**31,830**
Other comprehensive (expense)/income				
▪ Currency translation differences	(21,008)	2,728	(20,282)	3,454
▪ Available-for-sale financial assets under IAS 39, after deferred taxes	59	279	(94)	126
▪ Cash flow hedges under IAS 39, after deferred taxes	4,195	1,097	2,979	(119)
▪ Effects from equity-accounted joint ventures	435	268	956	789
(Expense)/income to be recognised in the income statement in the future	(16,319)	4,372	(16,441)	4,250
Changes in actuarial gains and losses on defined benefit pension obligations and similar liabilities (IAS 19), after deferred taxes	(361)	(4,663)	(355)	(4,657)
(Expense) recognised directly in equity	**(16,680)**	**(291)**	**(16,796)**	**(407)**
Total comprehensive income for the period	**80,598**	**62,357**	**29,631**	**31,423**
▪ Attributable to shareholders of the parent	78,111	59,621	47,826	29,336
▪ Attributable to non-controlling interests	2,487	2,736	1,838	2,087

Condensed consolidated cash flow statement

For the first six months (1 March – 31 August) €000	H1 2017|18	H1 2016|17
Operating cash flow before changes in working capital	176,548	121,566
Changes in working capital	46,303	7,921
Interest received and paid and income tax paid, net	(29,398)	(20,208)
Net cash from operating activities	**193,453**	**109,279**
Net cash (used in) investing activities	(59,087)	(41,800)
Net cash (used in) financing activities	(156,015)	(82,879)
Net (decrease) in cash and cash equivalents	**(21,649)**	**(15,400)**
Effect of movements in foreign exchange rates on cash and cash equivalents	(3,612)	24
Other, valuation-related changes in cash and cash equivalents	(189)	(4,775)
Cash and cash equivalents at beginning of period	198,429	109,375
Cash and cash equivalents at end of period	**172,979**	**89,224**

Consolidated balance sheet

€000	31 August 2017	28 February 2017	31 August 2016
ASSETS			
A. Non-current assets			
Intangible assets, including goodwill	278,824	282,319	239,225
Property, plant and equipment	747,781	738,907	690,544
Equity-accounted joint ventures	95,192	72,745	76,197
Securities	18,762	18,826	18,887
Investments in non-consolidated subsidiaries and outside companies	894	1,051	1,091
Receivables and other assets	10,448	7,115	9,009
Deferred tax assets	10,053	14,334	14,271
	1,161,954	**1,135,297**	**1,049,224**
B. Current assets			
Inventories	480,939	696,032	499,315
Trade receivables and other assets	466,316	442,611	504,250
Current tax assets	4,890	9,024	13,819
Securities	43	43	45
Cash and cash equivalents	172,979	198,429	89,224
	1,125,167	**1,346,139**	**1,106,653**
C. Non-current assets held for sale	**0**	**0**	**1,631**
Total assets	**2,287,121**	**2,481,436**	**2,157,508**

	31 August 2017	28 February 2017	31 August 2016
EQUITY AND LIABILITIES			
A. Equity			
Share capital	113,531	113,531	103,210
Share premium and other capital reserves	540,760	540,760	411,362
Retained earnings	710,996	695,375	632,189
Equity attributable to shareholders of the parent	1,365,287	1,349,666	1,146,761
Non-controlling interests	57,890	62,222	58,610
	1,423,177	**1,411,888**	**1,205,371**
B. Non-current liabilities			
Retirement and termination benefit obligations	68,702	68,929	71,774
Other provisions	19,718	19,898	19,744
Borrowings	210,822	180,495	270,185
Other payables	13,758	14,211	1,386
Deferred tax liabilities	11,229	13,102	4,395
	324,229	**296,635**	**367,484**
C. Current liabilities			
Other provisions	25,249	43,454	26,909
Borrowings	171,028	276,681	235,068
Trade and other payables	329,068	430,009	306,288
Current tax liabilities	14,370	22,769	16,388
	539,715	**772,913**	**584,653**
Total equity and liabilities	**2,287,121**	**2,481,436**	**2,157,508**

Condensed consolidated statement of changes in equity

For the first six months (1 March – 31 August) €000	Equity attributable to shareholders of the parent	Non-controlling interests	**Total**
2017|18			
At 1 March 2017	**1,349,666**	**62,222**	**1,411,888**
Fair value movements under IAS 39	4,254	0	4,254
Changes in actuarial gains and losses on defined benefit pension obligations and similar liabilities	(361)	0	(361)
Currency translation (loss)	(19,801)	(772)	(20,573)
Other comprehensive (expense) for the period	**(15,908)**	**(772)**	**(16,680)**
Profit for the period	94,019	3,259	97,278
Total comprehensive income for the period	**78,111**	**2,487**	**80,598**
Dividends paid	(62,489)	(7,319)	(69,808)
Additional contributions by other shareholders	0	500	500
Other changes	(1)	0	(1)
At 31 August 2017	**1,365,287**	**57,890**	**1,423,177**

2016|17			
At 1 March 2016	**1,144,281**	**55,843**	**1,200,124**
Fair value movements under IAS 39	1,376	0	1,376
Changes in actuarial gains and losses on defined benefit pension obligations and similar liabilities	(4,663)	0	(4,663)
Currency translation gain/(loss)	3,166	(170)	2,996
Other comprehensive (expense) for the period	**(121)**	**(170)**	**(291)**
Profit for the period	59,742	2,906	62,648
Total comprehensive income for the period	**59,621**	**2,736**	**62,357**
Dividends paid	(56,808)	(312)	(57,120)
Other changes	(333)	343	10
At 31 August 2016	**1,146,761**	**58,610**	**1,205,371**

Notes to the interim consolidated financial statements

For the first six months ended 31 August 2017 (unaudited)

Segment reporting

For the first six months (1 March – 31 August) €000	H1 2017|18	H1 2016|17
Total revenue		
Sugar	417,370	391,285
Starch	390,486	368,522
Fruit	600,146	605,495
Group	**1,408,002**	**1,365,302**
Inter-segment revenue		
Sugar	(40,655)	(39,266)
Starch	(4,952)	(5,472)
Fruit	(247)	(307)
Group	**(45,854)**	**(45,045)**
Revenue		
Sugar	376,715	352,019
Starch	385,534	363,050
Fruit	599,899	605,188
Group	**1,362,148**	**1,320,257**
Operating profit before exceptional items and results of equity-accounted joint ventures		
Sugar	38,902	18,813
Starch	30,953	19,375
Fruit	43,523	40,111
Group	**113,378**	**78,299**
Exceptional items		
Sugar	(2,794)	(2,873)
Starch	0	0
Fruit	0	0
Group	**(2,794)**	**(2,873)**

For the first six months (1 March – 31 August) €000	H1 2017|18	H1 2016|17
Share of results of equity-accounted joint ventures		
Sugar	475	2.384
Starch	19,537	12,639
Fruit	0	0
Group	**20,012**	**15,023**
Operating profit [EBIT][1]		
Sugar	36,583	18,324
Starch	50,490	32,014
Fruit	43,523	40,111
Group	**130,596**	**90,449**
Investment[2]		
Sugar	15,128	11,129
Starch	27,648	21,446
Fruit	15,312	9,815
Group	**58,088**	**42,390**
Number of employees (FTE)[3]		
Sugar	1,936	1,930
Starch	941	883
Fruit	5,977	5,942
Group	**8,854**	**8,755**

[1] Operating profit (EBIT) is after exceptional items and results of equity-accounted joint ventures.
[2] Investment represents purchases of property, plant and equipment and intangible assets, excluding goodwill.
[3] Average number of full-time equivalents in the reporting period.

Basis of preparation

The interim report of the AGRANA Group for the period ended 31 August 2017 was prepared in accordance with the rules for interim financial reporting under IAS 34, in compliance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and their interpretation by the IFRS Interpretations Committee. Consistent with IAS 34, the consolidated financial statements of AGRANA Beteiligungs-Aktiengesellschaft ('AGRANA Beteiligungs-AG') at and for the period ended 31 August 2017 are presented in condensed form. These interim consolidated financial statements, which were not audited or reviewed, were prepared by the Management Board of AGRANA Beteiligungs-AG on 27 September 2017.

The annual report 2016|17 of the AGRANA Group is available on the Internet at www.agrana.com/en/investor for viewing or downloading.

Accounting policies

In the preparation of these interim financial statements, certain new or changed standards and interpretations became effective for the first time, as described on pages 102 to 105 of the annual report 2016|17 in the notes to the consolidated financial statements, section 2, 'Basis of preparation'.

Except for these newly effective IFRS and interpretations, the same accounting methods were applied as in the preparation of the annual consolidated financial statements for the year ended 28 February 2017 (the latest full financial year).

The notes to those 2016|17 annual consolidated financial statements therefore apply mutatis mutandis to these interim accounts. Corporate income taxes were determined on the basis of country-specific income tax rates, taking into account the tax planning for the full financial year.

Changes in comparative information

As a result of the share capital increase in the financial fourth quarter of 2016|17, the prior-year value for earnings per share under IFRS was adjusted. Details on the capital increase are given on page 131 of the annual report 2016|17.

Basis of consolidation

The newly founded AGRANA Fruit (Jiangsu) Company Limited, Changzhou, China, a wholly-owned subsidiary of AGRANA Fruit S.A.S., Mitry-Mory, France, was included in the consolidated financial statements for the first time, by full consolidation. In the financial second quarter of 2017/18, AGRANA Fruit Management Australia Pty Ltd., Sydney, Australia, which previously was fully consolidated within AGRANA Fruit Australia Pty Ltd., Sydney, was for the first time included separately as a fully consolidated company. This event had no impact on the consolidated financial statements. As well, the newly created AGRANA-STUDEN Kosovo L.L.C., Pristina, Republic of Kosovo, was included in the consolidated financial statements for the first time, using the equity method. In total in the consolidated financial statements, 62 companies besides the parent company were fully consolidated (28 February 2017 year-end: 60 companies) and 13 companies were accounted for using the equity method (28 February 2017: twelve companies).

Seasonality of business

Most of the Group's sugar production falls into the period from September to January. Depreciation and impairment of plant and equipment used in the campaign are therefore incurred largely in the financial third quarter. The material costs, staff costs and other operating expenses incurred before the sugar campaign in preparation for production are recognised intra-year under the respective type of expense and capitalised within inventories as unfinished goods (through the item 'changes in inventories of finished and unfinished goods').

Notes to the consolidated income statement

Operating profit (EBIT) in the first half of 2017|18 was € 130.6 million (H1 prior year: € 90.4 million). This increase resulted mainly from significantly improved earnings in the Sugar and Starch segments. Reflected in operating profit was a net exceptional items expense of € 2.8 million in the Sugar segment for restructuring measures.

Net financial items improved to a net expense of € 8.9 million from the year-earlier net expense of € 10.3 million.

Profit for the period was € 97.3 million (H1 prior year: € 62.6 million).

Notes to the consolidated cash flow statement

In the six months to the end of August 2017, cash and cash equivalents declined by € 25.4 million to € 173.0 million.

The operating cash flow of € 176.5 million before changes in working capital was up by € 54.9 million compared with the year-earlier period, thanks largely to the higher profit for the period. Net cash from operating activities in the first half of 2017|18 was € 193.5 million (H1 prior year: € 109.3 million). This improvement reflected the net effect of a significantly greater reduction in inventories, a lesser increase in trade receivables, and a stronger reduction in trade payables and current provisions, than one year earlier.

Net cash used in investing activities, at € 59.1 million (H1 prior year: net cash use of € 41.8 million), was somewhat above the year-ago level.

Net cash used in financing activities was € 156.0 million (H1 prior year: net cash use of € 82.9 million), up significantly from a year ago. This substantially higher cash outflow in the reporting period was attributable predominantly to the early repayment of a Schuldscheindarlehen (bonded loan) of € 83.5 million and the repayment of a syndicated credit line of € 25.5 million, while a € 41.5 million development loan was raised to finance the expansion of the Starch activities.

Notes to the consolidated balance sheet

Total assets eased by € 194.3 million compared with 28 February 2017, to € 2,287.1 million. The decrease on the assets side resulted primarily from a considerable reduction in inventories. On the liabilities side, it was especially a significant decline in trade payables and a decrease in borrowings which led to the lower balance sheet total.

With shareholders' equity of € 1,423.2 million (28 February 2017: € 1,411.9 million), the equity ratio at the end of August was 62.2% (28 February 2017: 56.9%).

Financial instruments

To hedge risks from operating and financing activities (risks related to changes in interest rates, exchange rates and commodity prices), the AGRANA Group to a limited extent uses common derivative financial instruments. Derivatives are recognised at cost at the inception of the derivative contract and are subsequently measured at fair value at every balance sheet date. Changes in value are as a rule recognised in profit or loss. Where the conditions for cash flow hedge accounting under IAS 39 are met, the unrealised changes in value are recognised directly in equity.

In the table below, the financial assets and liabilities measured at fair value are analysed by their level of the fair value hierarchy. The levels are defined as follows under IFRS 7:

- Level 1 consists of those financial instruments for which the fair value represents exchange or market prices quoted for the exact instrument on an active market (i.e., these prices are used without adjustment or change in composition).
- In Level 2, the fair values are determined on the basis of exchange or market prices quoted on an active market for similar assets or liabilities, or using other valuation techniques for which the significant inputs are based on observable market data.
- Level 3 consists of those financial instruments for which the fair values are determined on the basis of valuation techniques using significant inputs that are not based on observable market data.

In the reporting period, no reclassifications were made between levels of the hierarchy.

31 August 2017 €000	Level 1	Level 2	Level 3	Total
Securities (non-current)	13,473	0	4,398	17,871
Derivative financial assets at fair value through equity (hedge accounting)	3,290	1,640	0	4,930
Derivative financial assets at fair value through profit or loss (held for trading)	46	5,853	0	5,899
Securities (current)	43	0	0	43
Financial assets	**16,852**	**7,493**	**4,398**	**28,743**
Liabilities from derivatives at fair value through equity (hedge accounting)	1,559	0	0	1,559
Liabilities from derivatives at fair value through profit or loss (held for trading)	0	5,862	0	5,862
Financial liabilities	**1,559**	**5,862**	**0**	**7,421**

31 August 2016 €000	Level 1	Level 2	Level 3	Total
Securities (non-current)	13,593		4,404	17,997
Derivative financial assets at fair value through equity (hedge accounting)	43	42	0	85
Derivative financial assets at fair value through profit or loss (held for trading)	3,147	1,291	0	4,438
Securities (current)	45	0	0	45
Financial assets	**16,828**	**1,333**	**4,404**	**22,565**
Liabilities from derivatives at fair value through equity (hedge accounting)	2,033	49	0	2,082
Liabilities from derivatives at fair value through profit or loss (held for trading)	0	9,038	0	9,038
Financial liabilities	**2,033**	**9,087**	**0**	**11,120**

For cash and cash equivalents, securities, trade receivables and other assets, and trade and other payables, the carrying amount can be assumed to be a realistic estimate of fair value.

The following table presents the carrying amounts and fair values of borrowings. The fair values of bank loans and overdrafts, other loans from non-Group entities, borrowings from affiliated companies in the Südzucker group and obligations under finance leases are measured at the present value of the payments related to the borrowings:

31 August 2017 €000	Carrying amount	Fair value
Bank loans and overdrafts, and other loans from non-Group entities	129,016	131,966
Borrowings from affiliated companies in the Südzucker group	250,000	257,227
Finance lease obligations	2,834	2,851
Borrowings	**381,850**	**392,044**

31 August 2016 €000	Carrying amount	Fair value
Bank loans and overdrafts, and other loans from non-Group entities	337,556	340,299
Borrowings from affiliated companies in the Südzucker group	165,000	168,507
Finance lease obligations	2,697	2,845
Borrowings	**505,253**	**511,651**

Further details on the fair value measurement of the individual types of financial instruments and their assignment to levels of the fair value hierarchy are provided on pages 144 to 147 of the annual report 2016|17, in section 10.3, 'Additional disclosures on financial instruments'.

Number of employees

In the first half of 2017|18 the AGRANA Group employed an average of 8,854 full-time equivalents (H1 prior year: 8,755). The increase in personnel resulted mainly from the expansion of the starch production site Aschach, Austria.

Related party disclosures

Bank deposits at companies with significant influence decreased to € 21.2 million (28 February 2017: € 71.1 million). This change was the result of standard treasury management arrangements. There were no material changes in other related party relationships since the year-end balance sheet date of 28 February 2017. Transactions with related parties as defined in IAS 24 are conducted on arm's length terms. Further information on individual related party relationships is provided in the AGRANA annual report 2016|17.

Significant events after the interim reporting date

No significant events occurred after the interim balance sheet date of 31 August 2017 that had a material effect on AGRANA's financial position, results of operations or cash flows.

Management board's responsibility statement

We confirm that, to the best of our knowledge:

- the condensed consolidated interim financial statements, which have been prepared in accordance with the applicable accounting standards, give a true and fair view of the Group's financial position, results of operations and cash flows within the meaning of the Austrian Stock Exchange Act; and

- the Group's management report for the first six months gives a true and fair view of the financial position, results of operations and cash flows of the Group, within the meaning of the Stock Exchange Act, in relation to (1) the important events in the first half of the financial year and their effects on the condensed consolidated interim financial statements, (2) the principal risks and uncertainties for the remaining six months of the financial year, and (3) the reportable significant transactions with related parties.

Vienna, 27 September 2017

The Management Board of AGRANA Beteiligungs-AG

Johann Marihart
Chief Executive Officer
Business Strategy, Production, Quality Management, Human Resources, Communication (incl. Investor Relations), Research & Development

Stephan Büttner
Member of the Management Board
Finance, Controlling, Treasury, Information Technology & Organisation, Mergers & Acquisitions, Legal, Compliance

Fritz Gattermayer
Member of the Management Board
Sales, Raw Materials, Purchasing & Logistics

Thomas Kölbl
Member of the Management Board
Internal Audit

Further information

Financial calendar

11 January 2018	Results for first three quarters of 2017|18
8 May 2018	Results for full year 2017|18 (annual results press conference)
26 June 2018	Record date for Annual General Meeting participation
6 July 2018	Annual General Meeting in respect of 2017|18
11 July 2018	Ex-dividend date
12 July 2018	Results for first quarter of 2018|19
12 July 2018	Record date for dividend
13 July 2018	Dividend payment date
11 October 2018	Results for first half of 2018|19

Contacts

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Forward-looking statements

This interim report contains forward-looking statements, which are based on assumptions and estimates made by the Management Board of AGRANA Beteiligungs-AG. Although these assumptions, plans and projections represent the Management Board's current intentions and best knowledge, a large number of internal and external factors may cause actual future developments and results to differ materially from these assumptions and estimates. Some examples of such factors are, without limitation: negotiations concerning world trade agreements; changes in the overall economic environment, especially in macroeconomic variables such as exchange rates, inflation and interest rates; EU sugar policy; consumer behaviour; and public policy related to food and energy. AGRANA Beteiligungs-AG does not guarantee in any way that the actual future developments and actual future results achieved will match the assumptions and estimates expressed or made in this interim report, and does not accept any liability in the event that assumptions and estimates prove to be incorrect.

THE QUANTITATIVE STATEMENTS AND DIRECTION ARROWS IN THE 'OUTLOOK' SECTION OF THIS REPORT ARE BASED ON THE FOLLOWING DEFINITIONS:

Modifier	Visualisation	Numerical rate of change
Steady	→	0% up to +1%, or 0% up to -1%
Slight(ly)	↗ or ↘	More than +1% and up to +5%, or more than -1% and up to -5%
Moderate(ly)	↑ or ↓	More than +5% and up to +10%, or more than -5% and up to -10%
Significant(ly)	↑↑ or ↓↓	More than +10% or more than -10%

For financial performance indicators not defined in footnotes, please see the definitions on page 183 of the annual report 2016|167.

In the interest of readability, this document may occasionally use language that is not gender-neutral. Any gender-specific references should be understood to include masculine, feminine and neuter as the context permits.

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